

## Message Text

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47

ACTION EUR-25

INFO OCT-01 IO-13 ADP-00 AGR-20 CEA-02 CIAE-00 COME-00

DODE-00 EB-11 FRB-02 H-02 INR-10 INT-08 L-03 LAB-06

NSAE-00 NSC-10 PA-03 RSC-01 AID-20 CIEP-02 SS-15

STR-08 TAR-02 TRSE-00 USIA-12 PRS-01 OMB-01 RSR-01

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R 291750Z JUN 73

FM AMEMBASSY BONN

TO SECSTATE WASHDC 6049

INFO AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS

USMISSION GENEVA

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

AMEMBASSY THE HAGUE

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E.O. 11652: GDS

TAGS: ETRD. EC, GW

SUBJECT: FOREIGN OFFICE REACTION TO EC COUNCIL, JUNE 25, 26

REF: EC BRUSSELS 3520

1. SUMMARY. THE ECONOMIC/COMMERCIAL MINISTER MET WITH FOREIGN  
OFFICE DEPUTY ASSISTANT SECRETARY POENSGEN TO REVIEW THE RESULTS  
OF EC COUNCIL. POENSGEN WAS VERY PLEASED WITH THE GLOBAL APPROACH  
FOR THE MTN, AS APPROVED BY THE COUNCIL. HE WAS MORE STOIC THAN  
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DISCOURAGED BY THE COUNCIL'S INABILITY TO BREAK THE KEY IMPASSES

ON 24:6 NEGOTIATIONS AND REVERSE PREFERENCES. END SUMMARY.

2. POENSGEN CITED A LIST OF KEY POINTS IN THE GLOBAL APPROACH WHERE A RESTRICTIVE FRENCH POSITION HAD BEEN WATERED DOWN OR OVERCOME, TO PRODUCE A BASICALLY LIBERAL DECISION. HE EMPHASIZED IN PARTICULAR THE STRONG EMPHASIS ON SUBSTANTIAL LIBERALIZATION OF TRADE BARRIERS AND THE RELEGATION OF TARIFF HARMONIZATION TO A SECONDARY ROLE.

3. ON AGRICULTURE, POENSGEN ATTRIBUTED SIGNIFICANCE TO THE EC'S STATEMENT ON ADAPTING LEVIES TO THE RESULTS OF AGREEMENTS AND ARRANGEMENTS. (SEE REFTEL, PARA 11).

4. POENSGEN WAS ANXIOUS TO DOWNPLAY THE SIGNIFICANCE OF THE COUNCIL'S INABILITY TO REACH A DECISION ON 24:6 NEGOTIATIONS. UNCHANGED THEREBY, WAS THE BASIC PROBLEM THAT SUCCESSFUL CONCLUSION OF THE NEGOTIATIONS REQUIRES A POLITICAL DECISION IN PARIS WHICH MUST STILL BE MADE. A NEW COMPLICATION WAS THAT THE COMMISSION WOULD NOW HAVE TO EXPLORE THIRD COUNTRY POSITIONS ON COMPENSATION WITHOUT HAVING A MANDATE TO TALK ABOUT THIS PROBLEM. WITHOUT EXPLAINING THE REASONS FOR HIS CONFIDENCE, POENSGEN REPEATED SEVERAL TIMES THAT COMMISSION VICE PRESIDENT SOAMES' BUREAUCRATIC AND DIPLOMATIC SKILLS WERE EQUAL TO THIS TASK.

5. POENSGEN SAID THAT THE RESULTS OF THE COUNCIL'S CONSIDERATION OF ASSOCIATION ARRANGEMENTS AND REVERSE PREFERENCES WERE INDECISIVE AND WOULD HAVE TO BE JUDGED AFTER THE PERMANENT REPRESENTATIVES HAD REVIEWED THE SUMMARY OF DISCUSSION. HE THOUGHT THAT IT WAS NOW ESTABLISHED THAT THE COMMUNITY REQUIRED NO EXCLUSIVE PREFERENCES FROM ANY NON-EUROPEAN DEVELOPING COUNTRY. BUT IT WAS STILL OPEN WHETHER THIS PRINCIPLE IN APPLICATION WOULD MEAN NO REVERSE PREFERENCES OR PREFERENCES WHICH THE LDC'S IN QUESTION WERE FREE TO EXTEND TO THIRD COUNTRIES. POENSGEN THOUGHT THE OUTCOME WOULD NOW BE HEAVILY DEPENDENT ON THE ATTITUDE OF THE LDCS ON REVERSE PREFERENCES AS IT IS EXPRESSED IN THE NEGOTIATIONS THEMSELVES. HILLENBRAND

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**Concepts:** GW  
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**Disposition Approved on Date:**  
**Disposition Authority:** boyleja  
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**Status:** NATIVE  
**Subject:** FOREIGN OFFICE REACTION TO EC COUNCIL, JUNE 25, 26  
**TAGS:** ETRD, EC  
**To:** SECSTATE WASHDC LONDON PARIS ROME EC BRUSSELS GENEVA BRUSSELS COPENHAGEN  
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